COUNCIL COMMITTEE OF THE WHOLE

The Council Committee of the Whole Meeting was held on May 29, 2012 at 5:30 p.m. with Council President Leary presiding. Council members present were Mr. Anderson (arrived at 5:36 p.m.), Mrs. Russell, Mr. Lynn (arrived at 5:36 p.m.), Mr. Perza, Mr. Bonar, Mr. Hare, and Mr. Hutchison. Mrs. Williams was absent. Mayor Carey was also present.

Council President Leary requested those present wishing to speak regarding Agenda Items #5 and #6 to limit remarks to three (3) minutes due to the lengthy agenda and time constraints.

AGENDA ADDITIONS/DELETIONS

Mr. Hutchison moved for approval of the agenda as presented, seconded by Mr. Bonar and unanimously carried.

Review and Recommendation - Filling of Critical Positions

Motor Equipment Operator (MEO) II - Sanitation

Mr. Scott Koenig, City Manager, reviewed a request to fill a Motor Equipment Operator (MEO) II position in the Sanitation Division. He noted that this Division was previously staffed at 13 positions and has had up to three (3) vacancies throughout the year. Mr. Koenig estimated the budgetary impact of the position at $45,604 including wages and benefits and indicated that this amount was allocated in the draft FY 2012-2013 budget.

In response to Mr. Hare, Mr. Koenig stated that the position had been vacant for approximately six (6) months. He explained that there were currently three (3) vacant positions in the Division; one (1) was eliminated from the draft budget, one was proposed to be filled with a temporary employee, and staff was requesting to fill the third position. He indicated that it has been necessary to "backfill" this position with labor from the Grounds or Streets Divisions, which has reduced productivity in those areas.

Responding to Mr. Bonar, Mr. Koenig stated that if the position were not filled, staff from the Grounds or Streets Divisions would continue to be depleted and would have to "limp through" operations.

In response to Mr. Hare, Mr. Koenig indicated that catch basin cleaning, additional street sweeping, repainting of center skip lines, and numerous other tasks could be performed if the Department were fully staffed.

Mr. Bonar moved for approval of the request to fill the Motor Equipment Operator (MEO) II - Sanitation position for discussion purposes seconded by Mr. Hutchison.

In response to Mr. Bonar, Mr. Koenig stated that if the position were not filled, the City would likely incur overtime expenses and the level of trash collection service would be reduced; however, the resulting overtime expenses incurred by the Sanitation Division would not exceed the amount of money budgeted for the position.

Responding to Mr. Bonar, Mr. Koenig indicated that the incumbent of this position would drive City vehicles because a temporary employee cannot perform this function. He felt that failing to fill the position would hamper staff's ability to get vehicles to the locations necessary for trash pick-up and would also interfere with the Streets Division's ability to perform services such as street patching and concrete work due to understaffing.

On a call for the question, the motion to recommend approval of the request to fill the Motor Equipment Operator (MEO) II - Sanitation position was unanimously carried.

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Utility Maintenance Mechanic (UMM) I - Wastewater

Mr. Scott Koenig, City Manager, reviewed a request to fill a Utility Maintenance Mechanic (UMM) I - Wastewater position. He advised members that the incumbent of the position would perform routine maintenance on approximately 40 pump stations throughout the City, including small residential and large industrial areas. Mr. Koenig stated that there were currently six (6) positions budgeted for the Wastewater utility, two (2) of which were vacant, and noted that one (1) of these positions would be discussed subsequently during the meeting. He projected an estimated impact of $49,391 on the draft FY 2012-2013 budget for wages and benefits. Mr. Koenig stated that if staff falls behind on the pump station maintenance, the City would experience mechanical problems and incur contractual expenses for repairs that would be greater than the amount proposed to fund the position. He noted that a proposal has been negotiated in the amount of approximately $1,300 per day with Smith and Loveless, Inc., to provide emergency services if needed. Mr. Koenig felt that if City workers were available in-house to work on the utility, they would become familiar with the equipment and the premium payment for standby services would not be necessary. He stated that, in staff's opinion, it was an absolute necessity to have mechanics on staff.

Responding to Mr. Hare, Mr. Koenig explained that a UMM II is more experienced than a UMM I and has more technical knowledge. He stated that a number of former Air Force mechanics have previously been hired as UMMs and Water Treatment Plant Operators. He noted that staff attempts to partner a UMM I with a UMM II on each crew to allow the Level II workers to train the Level I workers and to provide job progression. He explained that the goal was to have three (3) such crews available.

Mrs. Russell moved to recommend approval of the request to fill the position of Utility Maintenance Mechanic (UMM) I - Wastewater, as recommended by staff, seconded by Mr. Anderson and unanimously carried.

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Water Plant Operator I - Water Treatment Plant

Mr. Scott Koenig, City Manager, reviewed a request to fill a Water Plant Operator I vacancy in the Water Treatment Plant that was created by an employee retirement effective March 29, 2012. He projected an estimated impact of $50,351 on the draft FY 2012-2013 budget. Mr. Koenig noted that

the position was a key component of the water production function of the City's Water utility and the incumbent would take an active part in the management and maintenance of seven (7) shallow wells at the Long Point Road Treatment Plant, 15 deep wells and associated micro-treatment plants that accompany those wells, as well as play a role in the active maintenance and operation of elevated storage tanks throughout the City. He indicated that the employee would be expected to become a State-certified water system operator, which involves a number of regulatory requirements, mandatory ongoing training, and maintenance of institutional knowledge and skills required of water treatment personnel. Mr. Koenig stated that staff deemed this position critical to the long-term use of the City's water utility. He reminded members that if the City's project with Calpine goes through as expected, demand will increase on the City's water system in the future and he felt that personnel must be prepared to handle these projected demands.

Mr. Bonar moved to recommend approval of the request to fill the position of Water Plant Operator I, as recommended by staff. The motion was seconded by Mr. Lynn and unanimously carried.

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Patrolman (3) Police Department

Chief James Hosfelt reviewed a request to fill three (3) projected Patrolman vacancies which will be created by the planned retirement of three (3) officers, with the first retirement scheduled for June 22, 2012. He stated that the request would create a slight impact on the FY 12 budget; however, the requests were submitted at this time to allow for attendance at the upcoming Police Academy scheduled to begin on June 18, 2012. Chief Hosfelt explained that another Academy would not be scheduled for at at least one (1) year, which would cause a lag of 1½ to two (2) years before the officers hired could assume their duties. He stated that two (2) officers had submitted their retirement paperwork and the third individual was a sergeant who must retire on or before September 13, 2012 due to the Department's age/years of service mandatory retirement policy, as stated in Dover Police Department Procedural Notice 22 - Compensation, Benefits, and Conditions of Work. He noted that filling these positions would bring the force to 93 officers which is the authorized strength of the Department; however, after the expected retirement in September, the force would reduce to 92.

Responding to Mr. Leary, Chief Hosfelt stated that following the June 2012 Police Academy, the next Academy (run by the Delaware State Police) will be held in March 2013 and the officers trained at that time would not be able to assume full duties until one (1) year after graduation.

In response to Mr. Bonar, Chief Hosfelt stated that five (5) agencies in Delaware are authorized to hold Police Academies (one of which is the City of Dover); however, due to a lack of manpower, time, and financial resources, currently only the City of Wilmington, New Castle County, and the Delaware State police are scheduling such training.

Responding to Mr. Bonar, Chief Hosfelt stated that he did not anticipate any additional officers to retire in the near future.

In response to Mr. Hutchison, Chief Hosfelt explained that, although the Police sergeant who was expected to retire did not wish to retire at his current age of 52, City policy requires officers to retire after attaining age 55 or 30 years of service, whichever occurs first. He stated that the State law which granted the City the authority to set this policy had been in effect "for decades" and that staff saw no reason to change this requirement. He indicated that the State law had previously been challenged at both the State and County levels and was upheld.

Mr. Hutchison stated that he was deeply concerned that an individual with many years of service with the City was being forced to retire rather than being afforded the opportunity to remain with the Department for three (3) additional years until attaining age 55, noting that, in his opinion, this officer was in "as good shape" as anyone in the Police Department.

Chief Hosfelt did not feel that it was appropriate to discuss the details of this matter at the current time and offered to speak further with Mr. Hutchison on this topic outside Council Chambers.

Responding to Mr. Hare, Chief Hosfelt stated that, to his knowledge, no City officer has previously returned to such employment as a temporary employee following retirement and he was not aware of any mechanism in place to provide for this option. In addition, he noted that temporary employment would not allow the officer to add to his pension.

In response to Mr. Bonar, Chief Hosfelt stated that he had previously researched the possibility of having a Police retiree perform responsibilities related to the Red Light Enforcement Program and potentially the Speed Enforcement Program (if implemented) on a contract basis; however, Justice of the Peace Court No. 7 would not recognize such a position as a civilian function. He noted that the employee in this position is responsible for not only reviewing camera data but also testifying in Court 7 in connection with individuals who contest violations. Chief Hosfelt advised members that consideration has been given to hiring a retired officer to maintain certification and this option was being explored. He noted that a desk sergeant was currently administering the Red Light Enforcement Program and this individual's job responsibilities also involve overseeing the master corporal in the motorcycle unit.

Responding to Mr. Anderson, Chief Hosfelt explained that new police officers hired by the City Police Department cannot exceed 34 years in age since they must have 20 years of service in order to be eligible to retire with full benefits.

In response to Mr. Hare, Chief Hosfelt stated that the retirement age and service requirements for City police officers are a matter of City policy. He stated that at some point the effectiveness of law enforcement officers must be examined, and he felt that working night shifts and "wrestling" with offenders day after day was "too much to ask" of officers who have attained age 55 or 30 years of service. In addition, he stated that the Department assigns individuals to the Police Department based upon "what they can best do for us" and felt that the particular officer involved had been best suited to serve as a platoon sergeant.

Responding to Mr. Hutchison, Chief Hosfelt stated it was his understanding that the other two (2) retiring officers planned to request a lump sum payment when they retire. In addition, he indicated that the mandatory retirement requirements were listed in the Police Department rules and

regulations and had been in place for 10-15 years. To his knowledge, this was the first employee who has had difficulty with this policy. Chief Hosfelt stated that he had discussed the matter with the employee, the City Solicitor, and other sources (including attorneys) to ensure that the law was valid and the employee had been kept abreast of these discussions. He stated that he believed that the City's position on the matter was "on solid footing."

Mr. Bonar moved to recommend approval of the request to fill the three (3) Patrolman positions, as recommended by staff, seconded by Mr. Anderson and carried by a vote of seven (7) yes and one (1) no (Mr. Hutchison).

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Utility Maintenance Mechanic (UMM) II - Wastewater

Mr. Scott Koenig, City Manager, reviewed a request to fill a Utility Maintenance Mechanic (UMM) II - Wastewater vacancy which was created during the previous two (2) weeks due to the transfer of an employee from the Wastewater crew to the Electric Department. He requested Council's approval to advertise the position externally and estimated the impact of wages and benefits on the draft FY 2012-2013 budget at $74,888.

Responding to Mr. Hare, Mr. Koenig explained that the UMM position that was considered earlier in the meeting was a UMM I. He stated that when wages and benefits are estimated, full wages and family health care coverage rates are used to project the highest potential budgetary impact. He explained that, although he considered this position critical, the employee who formerly occupied the position transferred to a recently vacated position in the Electric Department that was deemed equally important.

In response to Mr. Perza, Mr. Koenig stated that positions of this nature are required by Code to work in pairs due to the necessity of working in confined spaces (wet wells). He confirmed that the City is seeking to hire a Level II employee in order to match the individual with a Level I employee.

Mr. Anderson moved to recommend approval of the request to fill the position of Utility Maintenance Mechanic (UMM) II - Wastewater, seconded by Mr. Lynn and unanimously carried.

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Responding to Mr. Lynn regarding the absence of a request to fill critical positions at the Library as an agenda item, Mr. Koenig stated that some Library positions were approved by Council on April 9, 2012 when a "first wave" of positions was brought forth for consideration, and a Library Clerk position would likely be considered at one of the next several Council meetings. Mr. Koenig explained that the number of hours to be worked by part-time employees was a matter of discussion during current labor negotiations and would affect the filling of Library Page positions. He expressed his hope that another "wave" of positions would be brought forth in the near future. Mr. Koenig stated that he believed that these vacancies could be filled in time for the scheduled Library opening, noting that that a temporary Certificate of Occupancy for the facility would be

issued in July 2012. He did not feel that a long training time would be required for the Library Page positions; however, he indicated that the Clerk position would require a longer timeline. Mr. Koenig confirmed that finding the administrative time to process the large volume of applications would present some challenges.

Downtown Dover Business Improvement District (BID)

Mrs. Donna Mitchell, Controller/Treasurer, reviewed the Business Improvement District (BID) Assessment (Tax) Rates for Fiscal Year 2012-2013 and advised members that staff proposed a BID tax rate based on an estimated revenue calculation of $51,600 for FY 2012-2013. She explained that this revenue would pay for personnel and administrative expenses used to support economic development. Staff requested approval of the BID tax assessment rate in accordance with the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013.

Responding to Mr. Lynn, Mr. Scott Koenig, City Manager, stated that projected BID tax revenues in the amount of approximately $51,600 would be part of the City's annual appropriation to the Downtown Dover Partnership (DDP) under the proposed draft FY 2012-2013budget if the City's Economic Development Office were eliminated, as previously proposed. He noted that the funds generated by the BID tax have traditionally been utilized to offset the funding of the DDP (or formerly the Main Street Dover Program).

Mr. Lynn moved to table the matter until the future of the City's relationship with the DDP as well as the future of the Economic Development Office could be finalized through the budget process or further action of Council. The motion failed due to the lack of a second.

Mrs. Mitchell explained that City Code requires that the BID tax rate be established in May in order for the City to be able to assess the BID tax for Fiscal Year 2012-2013.

Mr. Hare stated that the purpose of the discussion was to set the BID tax rate and that Council's budget discussions would determine where resulting funds would be directed.

Mr. Anderson moved to recommend approval of the Business Improvement District (BID) tax assessment rate according to the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013 ***(Attachment #1)***, as recommended by staff. The motion was seconded by Mrs. Russell.

Mr. Lynn expressed concerns regarding the Business Improvement District Cash Receipts and Budget for 2012-13 which specified BID tax revenue of $51,600 and projected personnel and administration expenses in the same amount. He questioned if the provisions of the City's Code require earmarking these revenues for personnel and the DDP and if the rate could be set without addressing this underlying issue.

Mr. Bonar felt that in order to have Mr. Lynn's question fully answered, an interpretation of the ordinance and an opinion of the City Solicitor were needed; therefore, he moved to table the matter. The motion failed due to the lack of a second.

Mr. Leary advised members that time constraints required that a first reading of the ordinance be scheduled for June 11, 2012 and a final reading for June 25, 2012 in order to adopt the tax rate for Fiscal Year 2012-2013 for billing purposes.

Mr. Anderson stated that the question would not affect the motion that was made to set the annual rate as required by Code and that related budget considerations were a separate item which could be discussed at the City Council meeting held subsequently in the evening after consulting with the City Solicitor.

On a call for the question, the motion to recommend approval of the Business Improvement District (BID) tax assessment rate according to the Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013 (Attachment #1), as recommended by staff, was carried by a vote of seven (7) yes and one (1) no (Mr. Bonar).

Review of Grant Application - City Hall Generator (DEMA)

Mr. Scott Koenig, City Manager, advised members that the City requested and received funding from the State Homeland Security Grant Program (SHSGP) for the purchase and installation of an emergency generator at City Hall. He stated that the total amount required for the generator would not exceed the grant total of $93,000 and that staff was currently in the bidding process for this piece of equipment. Mr. Koenig indicated that funding for this project was available under short notice to the City due to the failure of other municipalities in the State to complete their projects by the due date set forth by the federal government. All costs associated with the project would be charged to the Facilities Management budget and 100% of the project costs would be reimbursed to the City upon application for reimbursement. Mr. Koenig noted that the estimated yearly operating costs would be $1,800 (50 hours x nine (9) gallons per hour x $4.00 per gallon) and the annual maintenance Cost was estimated at $400 to $500. He advised members that this opportunity was the result of the Mayor's efforts to secure these funds for the City of Dover. Staff requested authorization to complete the project and request reimbursement for the costs associated with the City Hall generator not to exceed the allotted $93,000.

Mr. Anderson moved to recommend that staff be granted authorization to complete the project and request reimbursement for the costs associated with the purchase and installation of the emergency City Hall generator, not to exceed $93,000, seconded by Mr. Bonar and unanimously carried.

Due to time constraints, it was noted that this matter has been placed on the Council agenda for the meeting being held later in the evening.

Evaluation of Proposals - Fiscal Year 2012-2016 Audit Services

Mrs. Donna Mitchell, Controller/Treasurer, reviewed the results of a Request for Proposals (RFP) issued for professional audit services, noting that the City's current contract with Faw Casson & Company, LLC, expired last year. She explained that five (5) proposals were received and evaluated (one (1) from Maryland, two (2) from Wilmington, and one (1) from Dover; one was minority owned and one female owned). Mrs. Mitchell indicated that the proposals were comparable in quality and staff's recommendation was based on price. She advised members that SB & Company, LLC, in Huntsville, Maryland was given a 3% discount preference as a minority-owned business and was the lowest bidder. She stated that, if approved, SB & Company would perform fieldwork and testing

of internal controls since many files are sent through security portals. She noted that staff did not see a problem with the distance of the firm from the City of Dover and recommended approval of SB & Company, LLC for the City's audit services provider.

Responding to Mr. Anderson, Mrs. Mitchell explained that references were checked for all firms and all were favorable, and that testing for internal controls, including statistical sampling, was a standard practice.

In response to Mr. Perza, Mrs. Mitchell stated that SB & Company had adequate support staff, including an audit manager and two (2) support staff, and did not appear to have a problem with staff turnover. In addition, SB & Company stated they would plan to begin testing of Accounts Payable vouchers in-house as early as the month of April each year (beginning in 2013).

Responding to Mr. Bonar, Mrs. Mitchell stated that she believed that SB & Company had clients in Delaware and offered to verify this. In addition, she confirmed that SB & Company was licensed to operate in the State of Delaware and had included their Delaware Minority Business Certificate in the proposal.

In response to Mr. Leary, Mrs. Mitchell advised members that Faw Casson had been the City's auditor since at least the 1970s and that she felt it was a good idea to change auditors periodically.

Mr. Anderson moved to recommend that staff be authorized to execute an agreement with SB & Company, LLC, to perform audit services for the City of Dover for an amount not to exceed the fixed prices provided in the Audit Services RFP 12-0032FN Cost Comparisons *(Attachment #2)*, as recommended by staff. The motion was seconded by Mr. Hutchison and unanimously carried.

Mrs. Mitchell advised members that, prior to the FY 2012-2013 budget hearings, she deducted $28,000 from the budget in anticipation that one of the lower-priced firms would be selected.

Health Benefits Committee Report of April 18, 2012

Mr. Scott Koenig, City Manager, advised members that the Health Benefits Committee was created by Council in 2010 to evaluate possible options for long-term health care and to consider how the City could control the cost of long-term health care liabilities. He explained that members of the Committee included Council President Leary; Councilwoman Williams; the City Manager; the Human Resources Director; the Controller/Treasurer; representatives from the IUE-CWA, IBEW, and FOP; a representative for non-bargaining employees; and a retiree representative. As of November 29, 2011, the Committee had developed a number of alternatives, and members were requested to narrow those options to four (4) possibilities that could be sent to the actuary for cost evaluation. The options chosen were as follows:

1) Option #1 - City Contribution for a Preferred Provider Organization (PPO) Will Equal the Amount City Contributes for a Blue Cross/Blue Shield (BCBS) Health Maintenance Organization (HMO);

2) Alternative #1 - State Plan With Changes to Mirror State of Delaware - House Bill 81 Effective July 1, 2012;

3) Alternative #2 - City of Dover with Flat Percentage @ 15% for Under 65 and 10% for Over 65 of Total Premium; and

4) Alternative #3 - City of Dover with Flat Percentage @ 10% for Under 65 and 10% for Over 65 of Total Premium.

Mr. Koenig stated that these options were sent to Mr. Scott Porter of Milliman, Inc., to perform an actuarial study, and Mr. Porter attended the April 18, 2012 Committee meeting and reviewed the potential financial impact of each of the options on long-term health care. During this discussion, a motion was made in Committee that the cost-sharing provisions and the medical plan in effect at the time of retirement remain in effect with no changes for all current retirees, and this passed by a roll call vote of eight (8) yes and one (1) no. This was the only formal motion that came from the Committee and the Committee has not met since. Mr. Koenig requested that the minutes of this meeting be placed in the record as they outline the options that were discussed by the Committee. He stated his feeling that the Committee had no further work at this point. He advised members that he planned to make related recommendations regarding this matter during consideration of the following agenda item.

Responding to Mr. Lynn, Mr. Koenig agreed that it would be prudent to retain the Health Care Committee regardless of the recommendations made on this matter during the budget hearings. He noted that health care is a changing issue and felt that Council might find it advantageous for the Committee to be available to consider health care issues in the future.

Mr. Anderson requested that the results of the actuarial study performed by Milliman, Inc., be provided to members for their review. *(Clerk's Office Note: This information was subsequently provided to members by Mrs. Mitchell and was previously provided Health Benefits Committee members in the packet materials for the Committee meeting held on April 18, 2012.)*

In response to Mrs. Russell regarding the third option that was evaluated by the actuary, Mr. Koenig explained that the difference in percentages for individuals under and over age 65 related to the fact that those over 65 reverted to Medicare coverage. In addition, Mrs. Mitchell noted that the 10% figure was arrived at in an attempt to keep the cost neutral for individuals over age 65.

Mr. Lester Blakeman, 206 Falmouth Way, stated that he was not a member of the Health Benefits Committee but attended all the Committee's meetings. He advised members that individuals who are not represented by a union have no opportunity to negotiate a benefit that they might receive in exchange for increased health care payments. He expressed concern regarding the legality of retroactively changing benefits that were promised to employees upon hire. Mr. Blakeman provided members information containing excerpts from the minutes of the Health Benefits Committee Meeting held on April 18, 2012 ***(Attachment #3)***. Referring to Mrs. Hawkins' statement in those minutes that a change in benefits in 2009 that increased benefits was not "fought" by employees, he noted that an automatic cost-of-living increase was eliminated for new hires in 1980 and in 1981 the City issued checks to employees who gave up their cost-of-living increases. Mr. Blakeman felt that this action established that benefits cannot be simply removed without the agreement of the employees and concurred with this approach from a moral standpoint. Mr. Blakeman believed that these concerns must be addressed before action on this matter is taken. He stated that he worked for the City from 1971 until 2004, believing that he would get 100% paid health care in retirement and,

although he felt it was "fine" to tell new hires that they would not receive full health care coverage, he deemed it unfair to tell this to employees who have been working for years under the assumption that this was a benefit that they would receive.

Mr. Anderson moved to recommend acceptance of the Health Benefits Committee report dated April 18, 2012, seconded by Mr. Bonar and unanimously carried.

Proposed 15% Healthcare Premium Cost Sharing Arrangement - Non-Bargaining Only

Mr. Leary noted the receipt of correspondence from Mrs. Pattee Luppino, Electric Department, dated May 25, 2012 regarding the Proposed 15% Healthcare Premium Cost Sharing Arrangement ***(Attachment #4).***

Mr. Scott Koenig, City Manager, stated that the Fiscal Year 2012-2013 budget expense for health care coverage for all active City employees is $3,195,200. In an attempt to offset and manage the rising cost of health care coverage, the City Manager's proposed Fiscal Year 2012-2013 Operating Budget includes a 15% across-the-board cost sharing proposal for all employees. The budget proposal states that, beginning July 1, 2012, all employees would contribute 15% of the health care premium for the specific plan and tier which they select. The employees who are covered by collective bargaining agreements would fall under the terms of those negotiated contracts once the negotiations are concluded. City Council has direct responsibility for the non-bargaining employees; therefore, the City Manager put forth this proposal for Council's consideration. Currently, individual coverage is provided at no cost to employees and 25% of dependent coverage is paid by the employee and 75% by the City. Based upon the health coverage rates for Fiscal Year 2012-2013 and the health care enrollment schedule as of January 2012, the projected annual savings resulting from the implementation of a 15% across-the-board cost sharing arrangement for all non-bargaining employees was estimated at approximately $66,500.

Once implemented, the 15% cost sharing contribution would follow the non-bargaining employee into retirement. To clarify, Mr. Koenig provided the example of a non-bargaining employee who begins contributing 15% of the total monthly health insurance coverage premium on July 1, 2012 and elects to retire on December 1, 2012. The employee would continue to pay 15% of the total monthly health insurance premium throughout retirement. This recommendation would not affect anyone who is considered a non-bargaining retiree as of June 30, 2012.

Mr. Koenig stated that the maximum impact of the proposal would be $92.93 for employees who select the employee only tier of the Preferred Provider Option (PPO) plan and that employees who have selected the family tier of any of the plans would see a slight decrease in monthly premiums.

Mr. Koenig reviewed the Non-Bargaining Health Insurance Analysis and noted that the Draft 2012-2013 Budget was prepared based on this recommendation.

During the City Council Meeting held on January 12, 2009, Council considered benefit parity between non-bargaining and union employees. At that time, Council approved certain enhanced benefits for non-bargaining employees while retaining current practices for other employee groups. Mr. Anderson questioned the effect that the current proposal would have on the doctrine of benefit parity between all City employees that was previously adopted by Council. Responding, Mr. Koenig indicated that this proposal would offset the doctrine of parity; however, he did not feel that true

parity existed across all City units. He felt that the parity proposal that was brought forth previously had specific provisions. He noted that the current proposal could change parity going forward; however, the parity clause was previously changed at the discretion of Council.

Responding to Mr. Anderson, Mr. Koenig was unsure if the proposal would save more money than capping the City's 100% contribution at the level required to provide health coverage through a Health Maintenance Organization (HMO) and allowing employees to choose to obtain additional coverage at their own expense; however, he stated his desire to develop a recommendation that was easy to communicate to Council and, in his opinion, treated all tiers equally. He indicated his expectation that, over an approximately 25-year career, many employees would progress through the various tiers as they move through their careers, and under this proposal each tier would be treated equally. Although he felt that this was not a perfect solution, he explained that time was granted to discuss other options at the Committee level; however, no recommendation of this type came out of the Health Benefits Committee because all the bargaining units and groups were interested in trying to maintain the status quo. Mr. Koenoig stated that the City has a major financial issue and this was not an easy recommendation to make; however, it was his desire to get everyone involved in the health care discussion and decision because he believed that health care coverage would no longer be a benefit covered 100% by the City of Dover. He acknowledged that he expected many individuals to disagree with his position.

In response to Mr. Anderson, Mr. Koenig stated that, although he had not performed specific research, he felt that coverage such as that currently provided by the City would be an exception to coverage available in the market. He felt that the 15% cost-sharing proposal was a fair solution, given the economic constraints of the City and funds required to maintain a very good health care plan.

Mr. Anderson noted that he had requested a copy of the actuarial report that provided financial information regarding various health care options and was reviewed by the Health Benefits Committee. He questioned if a decision on the proposal could be postponed until the report could be reviewed by members to determine which options would save more money in the future.

Mrs. Mitchell advised members that a summary of the actuarial results could be viewed in the "Future Retirees Only" column of the letter dated March 27, 2012 from Milliman, Inc., regarding the Cost Sharing Options Model for Retiree Health Benefits – Update for Future Retirees.

Responding to Mrs. Russell, Mr. Koenig stated that when City employees are hired, they typically receive a City of Dover Employee Handbook that reflects information regarding health care coverage; however, it was his opinion that the Handbook was not a "contract for life." He stated that he believed that the current Handbook states that the cost-sharing arrangement for dependent coverage is shared by the City (75%) and the employee (25%). He stated that the Handbook has undergone various changes throughout the years.

In response to Mrs. Russell, Mr. Koenig stated that his recommendation for cost sharing was based on the best information available and he had no knowledge of any pre-existing document that would present a challenge to the proposal.

Mr. Lynn stated he was opposed to this proposal and requested that he be "walked through the decision-making matrix" as to how this option was chosen compared to the other options presented by the actuary.

Mr. Koenig stated that discussions on the matter as it related to retirees was fairly unanimous. He explained his perception that when Council considers health care, the entire dynamic of the discussion alters when retirees are considered because there are retirees who retired more than 20 years ago who may not be able to afford changes to their health care. Mr. Koenig personally agreed with excluding retirees from the discussion for that reason; however, he indicated that excluding retirees would place a greater financial burden on active employees. Mr. Koenig advised members that he felt he had to draw "a line in the sand" to prepare the budget when considering three (3) bargaining units and non-bargaining employees. He noted that the draft proposed budget includes a potential tax increase, potential layoffs, and potential fee increases. He stated that the recommendation was made in order to gain control over certain parts of the expenses. He did not feel that 15% was extravagant and that it seemed justifiable "across the board."

Mr. Lynn stated that he opposed the proposal for a number of reasons. He stated he was unsure that this was the most advantageous option and also felt it would leave non-bargaining employees with no representation or bargaining position to enable them to come forward and express their points of view. He was concerned that it would open the floodgates for retirees who would want to leave before the June 30, 2012 deadline, and the next set of municipal meetings would be occupied with filling critical positions, leaving the City with an inexperienced workforce. Mr. Lynn was unsure of the City's ability to recruit new talent, especially single people who would be most affected financially by the proposal. He expressed his concern about the estoppel detrimental reliance argument, noting that employees who have been with the City for many years relied on the statement in the Employee Handbook that their health care would always be paid for, especially those approaching the end of their careers who are not yet eligible for retirement. Mr. Lynn felt there was a fundamental fairness issue that "smacks of inequity" and that this proposal would have a negative impact on morale that is "already bad throughout the City."

Mr. Koenig stated that a number of those employees who select single coverage are married and have spouses who have their own health care coverage, with children carried on the spouse' plan.

Responding to Mr. Perza, Mrs. Mitchell stated that the State of Delaware has recently changed their coverage and that all employees will contribute to health care costs beginning on July 1, 2012, with specific contributions for coverage depending on options selected. She noted that coverage similar to the State's was the second option costed out by the City's actuary.

Mr. Hare indicated that, as a State pensioner, he contributes to his health care coverage and that recent increases have been implemented by the State, with more to occur in July 2012. He felt that perhaps different levels of health care coverage payments should be required for retirees depending upon date of retirement. He also suggested that if the City participates in the State health care plan, employee contributions should follow that model; if State retirees receive a pension increase, City of Dover pensioners should get an increase; if active State employees receive a salary increase, City of Dover employees should get an increase (noting that, under this scenario, City employees would

have received no increase in 2007, 2008, 2009, and 2010). He stated that action must be taken since costs are increasing. In addition, he believed that former employees who have been retired for many years and have not had pension increases for the last three (3) to five (5) years should receive an increase.

Mr. Leary invited those present who wished to speak on this topic to come forward to present their comments in order of their signature placement on the Speaker Sign-In Sheet. He cautioned members that, due to the number of signatures on the list, time constraints would likely prohibit all those present from speaking.

Ms. Christina Kober, 343 Orchard Grove Drive, (Dover Police Department), read the following statement into the record:

> "My name is Christina Kober and I reside at 343 Orchard Grove Drive in Camden, Delaware. Good evening. Thank you for allowing me this opportunity to speak regarding health insurance cost sharing for non-bargaining employees. I am a part of a group of the non-bargaining employees.
>
> I accepted employment with the City of Dover for several reasons, one of which was the health benefits. I have been a dedicated and loyal City of Dover employee for 23 years. I would have never imagined at this point of my career, that I would continuously be in front of City Council asking for my voice to be heard. Once again, I choose to take this opportunity to speak in hopes that you will listen and value my opinion.
>
> The city budget for 2013 will soon be discussed and voted on; once again all non bargaining employees will receive no pay increase. Although, I understand that the City of Dover has tough challenges to meet, the constraints put on non-bargaining employees over the past three years is equally as hard. On May 10th, 2012, City Manager Koenig conducted a meeting to inform non-bargaining members of his decision to recommend to City Council a 15% employee cost share for health insurance. The timing of this meeting left non-bargaining members with no time to financially prepare for the decrease in salary. This decision not only affects the employees but their families are impacted on a financial and emotional level as well. The employee cost sharing is neither equal nor balanced. For example: On the proposed plan, an employee with no dependents on the Blue Cross Blue Shield PPO coverage would now pay $ 92.92, while at the same time, an employee on the family coverage would actually save $ 5.42. Again, this is neither equal nor balanced.
>
> Let me read the critical success factors from the City of Dover Vision, Mission and Success Factors statement. The following factors are determined to be critical in meeting the overall goals and mission of the City of Dover. **Without them, the success of the program would be in jeopardy. And I quote "without them".** Customer satisfaction: Regardless of what is done, if at the end of the day our customers are not satisfied, then the mission and goals have failed. Customer satisfaction was determined to be the overall base strategy. Employee satisfaction: It is through our employees that our services are provided to our customers. Only if

> our employees are satisfied with being a part of the organization will they provide services in a manner that accomplishes the vision, mission and goals. You may not be aware but morale is indeed at an all time low. At this point, a 23 year veteran, I feel devalued.
>
> Thank you for your time and consideration in this important matter."

Ms. Kober indicated that she also wished to submit a letter dated May 29, 2012 into the record on behalf of a group of non-bargaining employees in regard to the health care cost-sharing proposal ***(Attachment #5)*.**

Mr. Lester Blakeman, 209 Falmouth Way, (City of Dover retiree from the Electric Department) provided members information containing excerpts from a variety of City documents related to health care coverage ***(Attachment #6)***. He stated that Employee Handbooks from 1984 and 2004 indicate that the City paid 100% of healthcare coverage expenses for the employee and 50% for families; however, he noted that in 2004 the City's contribution for family coverage increased to 75% by action of Council. He felt that Employee Handbooks have been consistent on this matter over time, stating that he also had a 1976 Employee Handbook that contains provisions for 100% coverage for employees and 50% for family coverage.

Mr. Blakeman circulated a City of Dover Employee Handbook which he stated was in effect in 1976 to members for their review, and Mr. Lynn requested that copies of the pertinent section of this Handbook be provided to members. *(Clerk's Office Note: This information was provided to members subsequent to the meeting.)*

Mr. Blakeman stated that the minutes from the Legislative, Finance, and Administration Committee Meeting held on December 12, 2005 reflect adoption of a resolution to establish a special fund for post-retirement benefits in accordance with new requirements of the General Accounting Standards Board (GASB). Mr. Blakeman felt it was unfair to resolve the problem of meeting GASB requirements by reducing employee benefits.

Mr. Steve Enss, 244 Enss Road (Electric Department), read the following statement into the record:

> "My Name is Steve Enss. I have worked for the City of Dover Electric department for 23 years. I know you have received some letters from my co-workers in reference to the Healthcare cost sharing; however I chose to speak to you directly.
>
> I chose to invest my career with the city of Dover in order to receive the benefits in which they offered along with a fair salary. I began my career with the city of Dover making less than I was making with my original job. My original job did not offer the benefits equal to Dover. After getting 15 years' experience in several positions with the electric department I was offered jobs multiple times with neighboring electric utilities for substantial greater salaries. The so called "Golden Handcuffs" was the best thing the city could have had. I chose to stay in order to keep the benefits that I had earned. The city benefitted by keeping an experienced employee.

> I have been part of a team rebuilding an aging electric system to one of the most reliable electric companies in the Mid Atlantic. I would put our system up against any other electric company for reliability at any time. I do understand how the current economy is affecting the City. It has affected everyone the same. Increased cost for gasoline, food and other services. My county taxes have increased, my school taxes have increased. I have not been able to reduce the cost for services that are provided to me such as Phone, Electric, TV and trash. I have had to find alternatives to reduce my budget strains; such as not going to the movies, dinner and traveling.
>
> Just as I can't reduce the cost of services I'm provided, I don't believe the city should reduce the cost for services the employees provide to the citizens of Dover and I ask that the city look at other alternatives such as I have."

Noting that there was insufficient time to hear from all those who had expressed a desire to speak on this matter by signing the Speaker Sign-In Sheet, Council President Leary inquired if any of these individuals wished to present information that was different in nature from that already presented.

Mr. David Giglio, 165 Merion Road (Dover Public Library), stated that he had worked for the City since 1995 and had reviewed the structure of the proposed cost-sharing proposal in light of other movements around the country where other public employees have been asked to contribute. He indicated that he believed the time had passed to ask employees to contribute something, acknowledging the City's financial constraints, lack of salary increases for several years, and short staffing at the Library and other City departments. Mr. Giglio felt that the City's current plan, which offers 100% employee coverage and 75% dependent coverage, was very generous compared to other places where he had worked and that an employee contribution should be considered, noting that sacrifices must be made. Mr. Giglio did not object to the idea that non-bargaining employees were being asked to "lead the way;" however, he objected to the current plan. As a taxpayer, he stated his lack of understanding that some employees with individual coverage were being asked to contribute an additional $92 contribution, whereas some others with family coverage would pay approximately $5 less for coverage. He stated that, as a taxpayer, he was unable to understand that the City had the money to decrease the payment for those with dependents.

(Clerk's Office Note: Due to time constraints, Mr. Richard Gardner, 233 Squawigm Road (Electric Department) was unable to provide comment; however, subsequent to the meeting, members were provided a statement related to proposed healthcare cost sharing ***(Attachment #7)****.*

Mr. Lynn moved to reject the proposed 15% healthcare premium cost-sharing arrangement for non-bargaining employees. The motion failed due to the lack of a second.

Mr. Hare moved to recommend that the proposed 15% healthcare premium cost-sharing arrangement for non-bargaining employees be referred back to staff for further evaluation, seconded by Mr. Bonar and unanimously carried.

Proposed Ordinance #2012-10 - Amending Chapter 1 - General Provisions, Section 1-13 - Denial of Permits for Failure to Comply with Requirements for Payment, Actions, or Filings (Clean Hands)

Due to time constraints, by unanimous consent this item was deferred for consideration at a subsequent meeting.

By unanimous consent, the meeting adjourned at 7:11 P.M.

Thomas J. Leary
Council President

TL/TM/js/dd
S:\AGENDAS-MINUTES-PACKETS\Committee-Minutes\2012\05-29-2012 COMMITTEE OF THE WHOLE.wpd

Attachments

Attachment #1 - Business Improvement District Tax Calculation Worksheet - July 1, 2012 - June 30, 2013
Attachment #2 - Audit Services RFP 12-0032FN Cost Comparisons
Attachment #3 - Information Provided by Mr. Les Blakeman Containing Excerpts from Health Benefits Committee Meeting Minutes - April 18, 2012
Attachment #4 - Correspondence from Mrs. Pattee Luppino dated May 25, 2012 Regarding the Proposed 15% Healthcare Premium Cost-Sharing Arrangement
Attachment #5 - Correspondence from a Group of Non-bargaining Employees dated May 29, 2012 Regarding the Proposed 15% Healthcare Cost-sharing Arrangement
Attachment #6 - Information Provided by Mr. Lester Blakeman - Excerpts from City Documents Related to Healthcare Coverage
Attachment #7 - Statement from Mr. Richard Gardner Regarding Proposed 15% Healthcare Cost Sharing

CITY OF DOVER
COUNCIL COMMITTEE OF THE WHOLE MEETING
May 29, 2012
BUSINESS IMPROVEMENT DISTRICT -
ASSESSMENT (TAX) RATES FOR FISCAL YEAR 2012-2013

BUSINESS IMPROVEMENT DISTRICT

TAX CALCULATION WORKSHEET

JULY 1, 2012 TO JUNE 30, 2013

	ZONE 1	ZONE 2	ZONE 3	TOTAL
Aggregate Assessments	$41,208,000	$58,350,000	$32,830,900	$132,388,900
Assessment Tax Rate per $100	0.0634	0.0349	0.0156	---
Revenue Raised	$26,100	$20,400	$5,100	$51,600
% Revenue Raised	51%	40%	10%	100%
Number of Parcels	117	105	42	264
Average Assessment	$223	$194	$121	$539

NOTE: These figures were estimated per the 2010 reassessed values. The revenue percentages by Zone are per the City of Dover Code Appendix D-Article III, Section 9(e).

Audit Services RFP 12-0032FN
Cost Comparisons

Exhibit A

	FY12 Fees	2012	2013	2014	2015	2016
Faw Casson						
CAFR Audit	$72,290	$74,250	$75,750	$77,500	$79,000	$80,750
Out of Pocket Costs	0	0	0	0	0	0
Subtotal	72,290	74,250	75,750	77,500	79,000	80,750
A-133 Audit	11,700	13,500	13,750	13,750	14,000	14,000
Letter for Bond Issues	0	3,500	3,500	3,500	3,900	3,900
Total	$83,990	$91,250	$93,000	$94,750	$96,900	$98,650
Total with 3% Preference		$88,513	$90,210	$91,908	$93,993	$95,691

	2012	2013	2014	2015	2016
BDO					
CAFR Audit	$56,000	$58,000	$60,100	$62,300	$64,500
Out of Pocket Costs	2,000	2,100	2,200	2,300	2,400
Subtotal	58,000	60,100	62,300	64,600	66,900
A-133 Audit	11,000	11,400	11,800	12,300	12,800
Letter for Bond Issues	2,800	2,900	3,100	3,300	3,500
Total	$71,800	$74,400	$77,200	$80,200	$83,200

	2012	2013	2014	2015	2016
Barbacane, Thorton & Co					
CAFR Audit	$54,500	$54,500	$56,140	$57,800	$59,500
Out of Pocket Costs	0	0	0	0	0
Subtotal	54,500	54,500	56,140	57,800	59,500
A-133 Audit	5,500	5,500	5,660	5,800	6,000
Letter for Bond Issues	3,000	3,000	3,000	3,000	3,000
Total	$63,000	$63,000	$64,800	$66,600	$68,500

	2012	2013	2014	2015	2016
Clifton, Larson, Allen					
CAFR Audit	$57,360	$57,770	$58,440	$58,740	$59,320
Out of Pocket Costs	0	0	0	0	0
Subtotal	57,360	57,770	58,440	58,740	59,320
A-133 Audit	6,000	6,200	6,400	6,600	6,800
Letter for Bond Issues	3,000	3,100	3,200	3,300	3,400
Total	$66,360	$67,070	$68,040	$68,640	$69,520

	2012	2013	2014	2015	2016
SB & Company					
CAFR Audit	$49,160	$50,480	$51,960	$53,480	$55,240
Out of Pocket Costs	0	0	0	0	0
Subtotal	49,160	50,480	51,960	53,480	55,240
A-133 Audit	4,000	4,120	4,244	4,371	4,502
Letter for Bond Issues	3,000	3,090	3,183	3,278	3,376
Total	$56,160	$57,690	$59,387	$61,129	$63,118
Total with 3% Preference	$54,475	$55,959	$57,605	$59,295	$61,224
Total Variance - Lowest vs. Highest w/3%	$34,037	$34,251	$34,302	$34,698	$34,466

COUNCIL COMMITTEE OF THE WHOLE May 29, 2012 5:30 P.M.

Item Number 5. Health Benefits Committee Report of April 18, 2012

First I would like to bring to your attention the following information from that meeting starting with page one the last two paragraphs and the first four paragraphs of page two:

"Following a period of discussion, Mr. Enss indicated his understanding that the goal of reducing Other Post-Employment Benefits (OPEB) liability would be one of the topics discussed during the City's union negotiations and noted that non-bargaining employees did not have the opportunity to negotiate.

Responding, Mrs. Mitchell reminded members that the actions of the Committee would be separate and distinct from union negotiations.

Mr. Enss requested that members reconsider the other cost-reduction alternatives which were previously proposed (some of which could not be costed out through the actuary), in addition to the four (4) options that were forwarded to the actuary for analysis as the most viable alternatives.

Mrs. Mitchell stated her belief that the other alternatives would not achieve a reduction in the OPEB liability.

Mr. Enss questioned the legality of retroactively changing the provisions contained in the City's Employee Handbook regarding retirement health benefits.

Mrs. Hawkins indicated that City Council has the authority to accept or reject changes to the Handbook which apply to non-bargaining employees when they are presented by staff."

Second I would like to bring to your attention the second, third and fourth paragraphs on page 4.

"Mr. Enss reminded members that non-bargaining employees do not have an opportunity to negotiate and felt that he could not support any of the proposed options until he had information about the legality of removing the medical retirement benefits that were "guaranteed" in the Employee Handbook which was adopted by Council.

Mrs. Mitchell stated her feeling that Council has authority to change ordinances and set policy at any time.

Mrs. Hawkins explained that, in 2009, Council adopted benefit parity provisions for non-bargaining employees. She noted that this was a policy change to the Handbook that was favorable to employees and that no employees "fought" this change."

I would also bring to your attention the fifth paragraph on page four.

"On a call for the question, the motion to recommend imposing a 15% employee premium cost-sharing arrangement across all categories and plans, excluding the retirees who were removed from consideration by the prior motion, effective July 1, 2012, failed by a roll call vote of five (5) no and four (4) yes (Mr. Leary, Mr, Koenig, Mrs. Hawkins, and Mrs. Mitchell).

May 25, 2012

Dear City Council Members,

My name is Pattee Luppino and I will be employed with the City for 10 years on July 3, 2012. I started with the City as a clerk in the IUE union working in Public Works, Public Utilities and now the Electric Department. I have progressed to an Administrative Assistant who is also a supervisor. In my eagerness to better myself and be a part of the City's management team, I have left myself in the position of a non-bargaining employee with no representation.

Prior to coming to the City, I was employed at Mills Transportation for 6 years which was located directly across Pear Street from the City Warehouse. I used to sit and look out the window and set a goal to someday work for the fine City of Dover. I have never regretted that decision; however, the last several years of City officials attacking the non-bargaining employee's benefits have definitely put a black cloud over my enthusiasm. I have been a team player taking furloughs and having no raise for several years while the IUE employee that I supervise has received raises and makes ***more*** money than I do. Now City Manager Koenig has proposed a budget where I will have to pay 15% of my healthcare. My annual salary is $39,487.35 which will be decreased by $1,115.04 to $38,372.31 should his proposal be approved by Council. It appears my dedication to "climb the ladder" has only made my salary go stagnant and now should this be approved, it will decrease. Over the course of the last several months, we have seen very generous raises given out to a select few. I am not disputing that they did not deserve the increases; however, it is a hard pill to swallow when I am being asked to give up more of my salary. In my 28 years of being in the job market, this is a first.

I am respectfully requesting City Council to return the budget to City Manager Koenig and ask him to find a different solution than asking the non-bargaining employees to pay for a benefit that was to be 100% when I made the commitment to serve the City to the best of my ability. I have fulfilled my commitment giving 110% of myself every day because that is what our residents deserve. Perhaps another option would be the employee should be paid 100% and if an employee wishes to insure others, they should have to pay the lion's share rather than getting a decrease in premium which is what is in his proposal.

I thank you for taking the time to read my comments and hope that you will reject City Manager Koenig's draft budget as it is now.

Respectfully submitted,

Pattee Luppino

Pattee Luppino, Administrative Assistant
City of Dover Electric Department

May 29, 2012

To Members of Dover City Council:

We the undersigned are Non-Bargaining Employees of the City of Dover. Recent discussions regarding our health care options have prompted us, as a group, to address all members of Dover City Council.

As you know, we are the only group of employees in the city who work without union representation. The majority of us are considered "middle management"; not department heads but rather the front-line supervisors responsible for much of the day-to-day operations of the city. As a group, we have more experience, longevity, and training than any group within the city's employment ranks. More importantly, the pool of talent within this group is more vast than any other. We want to believe that our opinions and our voice matter to the city manager and to city council.

The healthcare cost-sharing proposal has one positive effect, which is simply reducing expenses for city government. However, the proposal has many negative effects, such as the inability for those close to retirement to adequately plan for the financial repercussions of this action and the morale of a group of employees who are unable to bargain for other concessions in return for losing such an important benefit. Just as important is that with all the knowledge, expertise and diversity among this group of employees, we share the same view.

At the city manager's proposed 15% cost sharing, the savings from Non-Bargaining Employees is approximately $50,000. We feel confident that given time and cooperation, another alternative can be found to equal this cost savings. Many of those in upper-level management have expressed their belief that the current economic situation is temporary. Both the public and private sectors are showing clear signs of recovery. We urge council to consider a more temporary, stop-gap measure that is viable, equitable, and balanced – such as furlough days to equal the cost savings of healthcare cost-sharing – to allow ALL of us to work together to explore other options.

We respectfully ask that council reject the cost-sharing proposal for Non-Bargaining Employees, as a whole, and consider other cost-saving measures as an alternative to the proposed health insurance cost-sharing plan for this group of employees.

Respectfully,

(please see attached)

Signature

Paul Cookson - Police Dept (20+)
Christina Kober - Police Dept. - 23 yrs. of service
~~Diane~~ Glenn - police Dept. (19+ years)
Pete Wilder 20+ years
Tim Mutter 5 YEARS CENTRAL SERV COORDINATOR, TOTAL 29 YRS W/CITY
Robin Adkins 13 years of service
Paul Bernett Dover PD 23 years of service
Diane Metsch - Planning + Inspections 23 yrs of Serv.
Dave Tiny Fire Marshal - 22 years of serv.
Cayce O'Neal Public Works - 21+ years
Steve + Co ELECTRIC DEPT - 23 years
Dave Giglio Library 17 years
Lattee Luppino - Electric - 10 years
Ralph McDowell water 25 years
Stacey Harvey Planning Dept 12 years
Nancy Swaggard Admin Services Meter Reading 18 years
Judith Avery Library 5 years
Denise Roberson Customer Svc 22
Donna Allison IT Dept 27 yrs
Marlene Looney IT Dept 27 yrs
Beverly Jackson Econ Dev 3½ yrs
Karen Bertasco D.P.L. 9.5 years
Carolyn Courtney Dover Parks 12 years
Margery Cox Dover Library, 4 years
Tim Hostett Police 24 YEARS
Jeremy Johnson 5 year
Sherry Dupon 11½ years

Becky North - Library - 1 year
Kathy Lair (Cust Sv) - 20 years
Carol Heesh (Public Works) 9½ yrs+
Suzanne Foraker - 8 months

COUNCIL COMMITTEE OF THE WHOLE May 29, 2012 5:30 P.M.

Item Number 6. Proposed 15% Healthcare Premium Cost sharing Arrangement – Non-Bargaining Only

I would like to bring to your attention the following statements from official City Documents:

A – PERSONNEL POLICY (Employee Handbook) April 5, 1984
Page 37 - ARTICLE IX EMPLOYEE BENEFITS

Section 1. Insurance Benefits

The City shall make group, life insurance; group hospital, surgical, and health insurance; accidental death and dismemberment insurance; and off-the-job group accident and sickness insurance available for fulltime permanent employees.

(a) Group Hospital, Surgical and Health. The City shall pay 100% of the individual employee coverage for fulltime permanent employees. The employee shall have the option of covering eligible dependents under the same insurance plan. The City wii pay 50% of the cost of dependent coverage for fulltime permanent employees. The employee must pay the other 50%

Pages 38 and 39

Section 2. Retirement Benefits

The City shall make available to permanent fulltime employee and permanent parttime employees working at least 30 hours per week the option of joining a City Pension Plan. Pension benefits shall be provided through one of the following:

(a) Police Pension Plan (Refer to Appendix J)
(b) General Employee Pension Plan (Refer to Appendix K)

The City Pension Plans shall provide group hospital surgical and health insurance coverage for retired employees and their families. The Plans pays 100% of each retiree's individual coverage and 50% of the cost of dependent coverage.

B – CITY OF DOVER PERSONNEL POLICY (Employee Handbook) July 2004
ARTICLE XVII EMPLOYEE BENEFITS Page 64

SECTION 1. INSURANCE BENEFITS

The City shall make group life insurance, group hospital, surgical and health insurance, accidental death and dismemberment insurance and off-the-job group accident and sickness available for full-time regular employees. Refer to the applicable employee labor agreements for specific details.

(a) Group Hospital, Surgical and Health: The City shall pay a portion of an employee's health care up to a specific amount. The City shall provide group hospital, surgical and health insurance coverage for employees and their families. The City pays 100% of each full-time regular employee's individual coverage and 75% of the cost of dependent coverage

Section 2. RETIREMENT BENEFITS Page 66

The City shall make available to full-time regular employees working at least thirty-seven and a half (37.5) hours per week a City Retirement Plan. All employees hired after July 1, 1991 shall be required as a condition of employment to join a plan. Employees shall remain members until their employment with the City ceases, retires or pass away. Pension benefits shall be provided through one of the following:
(a) Police Pension Plan (sponsored either by the City of Dover or State of Delaware)
(b) General Employee Pension Plan
(c)Defined Contribution Plan

The City shall provide group hospital, surgical and health insurance coverage for regular employees and their families. The City pays 100% of each retiree's individual coverage and 75% of the cost of dependent coverage. This applies to all retirees, unless otherwise specified in employee labor agreements.

C. LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE December 12, 2005
Page 1 **Resolution – Establishment of Special Fund for Post Retirement Benefits**
The General Accounting Standards Board (GASB) has issued a new pronouncement that wll require the City to recognize its post retirement medical benefits liability since medical benefits are guaranteed to retirees.

D. LEGISLATIVE, FINANCE AND ADMINISTRATION COMMITTEE December 14, 2009
Page 2**Elimination of Medicare Part B Reimbursement (tabled by Committee on July 13, 2009)**
During their meeting of July 13,2009, the committee was advised that the Governmental Accounting Standards Board (GASB) passed accounting standards which require governmental entities to recognize the cost of retirement health care during the term of the employee's employment and not "pay as you go" after the employee retires.

Mrs. Mitchell reminded members that the Governmental Accounting Standards Board (GASB) passed an accounting standard which requires governmental entities to implement GASB45, which requires recognition of medical benefits for retirees like pension benefits. … She explained that the accounting requirements have changed by requiring entities to set aside the monies today for the promises made to their employees.

E. CITY COUNCIL MEETING December 20, 2005
LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE REPORT DECEMBER 12, 2005

By consent agenda, Mr. Carey moved for approval of the committee's recommendation. The motion was seconded by Mr. Salters and, by unanimous roll call vote, Council adopted the following Resolution:

WHEREAS, commencing with fiscal year 2009, the City of Dover will be required to recognize its post retirement medical benefits liability since the City guarantees medical benefits to retirees; and …

ADOPTED: DECEMBER 20, 2005

Good afternoon Council Members, Mayor and City Manager.

My Name is Richard Gardner and I am an employee of the City of Dover's Electric Department.

I reside at 233 Squawigm Rd. Dover De.

I stand before you today by obligation and not by preference. I stand here by obligation in order to protect was has been assured to me for the last 27 years – my healthcare at 100%.

My preference is to be present at my daughter's Senior Banquet honoring her achievements throughout 4 years in Childhood Development.

My daughter, Jena is a very blessed young lady; she was able to grow up in a comfortable home, with both of her very loving, biological parents.

Her mother and I worked hard to demonstrate what it takes to be a successful, ethical, and productive citizen. Our reward will happen Thursday evening when we watch her walk across that stage to receive her diploma; then by watching her leave for college to pursue a degree in the medical field.

We taught her good work ethics, knowing the difference in right and wrong, to always do the right thing, no matter what the consequences, to take care of those who take care of you, to have faith and to always be true to yourself.

Tonight, I ask the same from you.

I thank you for your time tonight.

"Not everything that counts can be counted, and not everything that can be counted counts." — Albert Einstein

On matters of style, swim with the current, on matters of principle, stand like a rock.
-- Thomas Jefferson